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# BEFORE THE ARIZONA CORPORATION COMMISSION RECEIVED

# **COMMISSIONERS**

GARY PIERCE, Chairman SANDRA D. KENNEDY PAUL NEWMAN BOB STUMP BRENDA BURNS 2011 JUN 10 A 11: 05

AZ CORP COMMISSION DOCKET CONTROL

Arizona Corporation Commission

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APPLICATION OF LITTLE PARK WATER COMPANY, INC., ANARIZONA CORPORATION, FOR AUTHORITY TO INCUR LONG-TERM DEBT FROMJPMORGAN CHASE & CO.

DOCKET NO. W-02192A-10-0395

VERIFIED RESPONSE TO PROCEDURAL ORDER

Little Park Water Company, Inc. ("Little Park") hereby responds to the May 13, 2011, Procedural Order in this docket. Little Park has complied with all laws and Commission orders, and asks the Commission to authorize the requested financing as soon as possible.

# I. PROCEDURALHISTORY

In Decision No. 67886, dated June 1, 2005, the Commission authorized Little Park to collect an Arsenic Hook-up Fee (based on the size of the meter requested) from all customers requesting service at a new service location.

On May 24, 2007, Little Park filed with the Commission an Application for Extension of Certificate of Convenience and Necessity to provide water utility service in Yavapai County, Arizona, to two new customers: Verde Valley School and Camp Soaring Eagle. On March 20, 2008, the Commission issued Decision No. 70208, an Order Preliminary allowing Little Park to extend its CC&N area, contingent upon the satisfaction of certain conditions including construction of Arsenic Treatment Facilities for Little Park's two existing wells by June 30, 2009.

<sup>&</sup>lt;sup>1</sup> Docket No. W-02192A-07-0326.

In an affidavit filed May 1, 2008, in Docket No. W-02192A-07-0326, Mr. Gudovic provided a preliminary construction estimate of \$200,000 for the Arsenic Treatment Facilities. Mr. Gudovic expected to finance the Arsenic Treatment Facilities as follows:

- \$81,582.11 in already collected Arsenic Hook-up Fees;
- \$234,300 in Arsenic Hook-up Fees to be collected from a new customer: Camp Soaring Eagle.

Mr. Gudovic went on to say that if these identified funds were insufficient, he would "make Paid-In-Capital Additions to the Company for the purpose of funding any shortfall in the required capital for construction of the arsenic-treatment facilities."

On June 3, 2008, the Commission approved an LXA between Little Park and Camp Soaring Eagle, which included an Arsenic Hook-up Fee of \$234,300 to be paid by Camp Soaring Eagle to Little Park.

As discussed above, on March 20, 2008, the Commission ordered Little Park to construct the Arsenic Treatment Facilities. To construct these facilities, Little Park had to first prepare detailed construction estimates and then obtain Approvals to Construct ("ATCs") for these facilities from the Arizona Department of Environmental Quality. On June 20, 2008, Little Park filed copies of the ATCs in Docket No. W-02192A-07-0326. Construction began almost immediately.

At the time construction began, Little Park had not received the expected \$234,300 Arsenic Hook-up Fee from Camp Soaring Eagle, so it was forced to largely fund construction of the Arsenic Treatment Facilities with a short-term loan from Little Park's corporate parent, Big Park Water Company ("Big Park").

The short-term loan from Big Park to Little Park closed on August 18, 2008, in the amount of \$118,000, with a six-percent interest rate. Little Park expected that this short-term loan would be paid off in less than one year with the Arsenic Hook-up Fee to be received from Camp Soaring Eagle. Because the term was less than one-year, A.R.S. § 40-301 did not require Commission approval of the loan. Exhibit A is a copy of the loan document.

On March 23, 2009, Little Park applied to reduce the Arsenic Hook-up Fee for Camp Soaring Eagle from \$234,300 to \$118,800, the amount required to pay off the short-term loan. On June 30, 2009, in Decision No. 71172, the Commission approved the request. Because no more funds were expected to be required to complete the Arsenic Treatment Facilities, Little Park also applied to discontinue its previously authorized Arsenic Hook-up Fee. The Commission approved Little Park's request in Decision No. 71172, dated June 30, 2009.

The Arsenic Treatment Facilities received AOC by ADEQ in January 2009, at a total cost of \$264,559.44.<sup>2</sup> On June 30, 2009, Mr. Gudovic provided additional paid-in capital to Little Park of \$26,358. The following table summarizes the financing status as of June 30, 2009:

Total Project Cost	\$264,559.44
Total Arsenic HUF Collected	(\$92,453.48)
To Be Collected from Camp Soaring Eagle	(\$118,800)
Additional Paid-in Capital	(\$26,358)
Shortfall	\$26,947,96

# II. CAMP SOARING EAGLE DEFAULT

In accordance with the amended line extension agreement, Camp Soaring Eagle owed the \$118,800 Arsenic Hook-up Fee to Little Park as of July 30, 2009. Camp Soaring Eagle has simply refused to pay. In spring 2010, Little Park sought assistance from the law firm of Gallagher and Kennedy to collect the outstanding fees. Exhibit B includes copies e-mails and other correspondence dating back to October 22, 2009, where Little Park has attempted to collect the \$118,800 owed by Camp Soaring Eagle.

Unfortunately, despite its diligent efforts, Little Park has been unable to collect any funds from Camp Soaring Eagle. Little Park's understanding is that the Camp Soaring Eagle project has now been cancelled. (See Exhibit C). The result is that the Little Park cannot repay its 2008 short-term loan from Big Park.

<sup>&</sup>lt;sup>2</sup> Revised May 16, 2011

To obtain funds to repay the loan, Little Park applied on September 27, 2010, in Docket No. W-02192A-10-0395, for authority to incur \$140,000 in new long-term debt.<sup>3</sup> Little Park also simultaneously applied to reinstate its Arsenic Treatment Hook-up Fees, which the Commission approved on February 11, 2011.

# III. RESPONSE TO PROCEDURAL ORDER QUESTIONS

1. [Explain] why Little Park obtained a loan from Big Park rather than having its owner provide paid-in-capital to fund the shortfall for construction of the arsenic treatment facilities, as Little Park had committed to do.

Response: In an affidavit filed May 1, 2008, in Docket No. W-02192A-07-0326, Mr. Gudovic provided a preliminary construction estimate of \$200,000 for the Arsenic Treatment Facilities. Mr. Gudovic expected to receive \$336,000 in Arsenic Hook-up Fees to fund the Arsenic Treatment Facilities.<sup>4</sup> Any excess funds would be refunded to the customers.

This is the context in which Mr. Gudovic made his commitment to fund any shortfall. In the unlikely event that the \$336,000 expected to be received was insufficient, Mr. Gudovic would fund the shortfall.

Mr. Gudovic was very confident that Camp Soaring Eagle would pay its promised hook-up fees. Camp Soaring Eagle was continually pushing Little Park to obtain all approvals from the Commission and ADEQ so that the Camp could begin construction of the water mainlines. At that time of the Affidavit, the Camp had spent almost ten million dollars for infrastructure including roads, sewer, dry utilities, and four buildings. Based on these facts, Mr. Gudovic reasonably believed that the promised funds would be paid.

Finally, the Gudovic family does not have any alternative to obtaining the requested loan. Little Park has only 72 customers and as of this date is still losing

 $<sup>^{3}</sup>$  \$118,000 loan + \$27,000 shortfall = \$145,000.

<sup>&</sup>lt;sup>4</sup>81,582.11 in already collected Arsenic Hook-up Fees plus \$234,300 in Arsenic Hook-up Fees to be collected from Camp Soaring Eagle.

money. Despite these grim facts, on June 30, 2009, Mr. Gudovic did provide additional paid-in capital to Little Park of \$26,358. However, there are no more funds available.

- [Explain] the ownership of Little Park and its relationship to Big Park.
   Response: Little Park is a 100%-owned subsidiary of Big Park.
- 3. [Explain] the terms of the bridge loan from Big Park, including the full amount of the loan, the term of the loan, what interest rate was imposed, and when the loan was obtained.

**Response**: The short-term loan from Big Park to Little Park closed on August 28, 2008, in the amount of \$118,000, with a six-percent interest rate.

4. [Explain] how, if at all, Little Park received Commission approval for the loan from Big Park or otherwise complied with the requirement in Decision No.71172 for Little Park to seek approval from the Commission before entering into any long or short-term financing arrangements.

**Response**: The short-term loan from Big Park to Little Park closed on August 18, 2008. Little Park expected that the term of this loan would be less than one year. Little Park has obtained no additional loans from Big Park.

Once it became apparent that Little Park would be unable to obtain from Camp Soaring Eagle the required \$118,800 Arsenic Hook-up Fee, Little Park immediately applied in this docket for authority to incur \$140,000 in long-term debt to finance this amount plus an additional shortfall.

Decision No. 71172 was not issued until June 30, 2009. Little Park has not entered into any long or short-term financing arrangements since that date, so no financing approvals were required, other than the present request in this docket.

# IV. <u>CONCLUSION</u>

The requested financing is desperately needed. Little Park is fully compliant with the Commission's Orders. The Commission Staff has analyzed Little Park's application and

recommends that it be approved. Further delay may jeopardize Little Park's ability to borrow the required funds at affordable rates.

For all these reasons, Little Park asks the Commission to approve its Financing Application as quickly as possible.

Respectfully submitted on June 10, 2011 by:

Craig A. Marks

Craig A. Marks, PLC

10645 N. Tatum Blvd

Suite 200-676

Phoenix, Arizona 85028

(480) 367-1956

Craig.Marks@azbar.org

Attorney for Little Park Water Company

**Original** and 13 copies filed on June 10, 2011, with:

Docket Control Arizona Corporation Commission 1200 West Washington Phoenix, Arizona 85007

By:

Craig A. Marks

<u>Verification</u>: My name is Stevan Gudovic. I am the President of Little Park Water Company. I have read the Verified Response to Procedural Order dated June 10, 2011 and—based on my personal knowledge and review of Commission and Little Park Water Company documents—it is true and accurate to the best of my knowledge and belief.

Stevan Gudovi¢

STATE OF Arizona

) ss.

COUNTY of Maricopa

Subscribed and sworn before me on June 2, 2011.

Name:

MARY LYNN GUDOVIC
Notary Public - Arizona
Maricopa County

My Commission expires:

# Exhibit A

# PROMISSORY NOTE

\$118,000.00

August 18, 2008 Sedona, Arizona

FOR VALUE RECEIVED, the undersigned Maker promises to pay to BIG PARK WATER COMPANY, or his order ("Holder") the principal sum of ONE HUNDRED EIGHTEEN THOUSAND and 00/100 Dollars (\$118,000.00), together with interest on the outstanding principal balance thereof from the date hereof until paid at a rate equal to six and 00/100 percent (6.00%). Interest shall be calculated on the basis of a three hundred sixty (360) day year, consisting of twelve (12) thirty (30) day months. Principal, interest and all other sums due hereunder shall be due and payable in lawful money of the United States of America at 45 Castle Rock Road #4, Sedona, Arizona 85351, or at such other address as Holder hereof may from time to time designate in writing, as follows:

- 1. Interest only shall be due and payable monthly, commencing on October 1, 2008, and continuing to be due and payable on the first (1<sup>st</sup>) day of each month thereafter; and
- 2. If not sooner paid, the entire outstanding principal balance, all accrued and unpaid interest, and all other sums payable hereunder shall be due and payable in full on or before September 16, 2009.

Privilege is reserved to prepay all or any portion of this Note in whole or in part at any time without penalty. All payments hereunder shall be applied to the payment of accrued and unpaid interest, and reduction of principal, in that order.

In no event shall the aggregate of the interest herein provided plus any payments or charges in the nature of interest made or required in connection herewith, exceed the limits now imposed by the applicable laws of the State of Arizona. If performance of or compliance with any provisions of this Note or in any instrument now or hereafter securing this Note results in Holder receiving interest in an amount which would exceed such limits, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance and not to the payment of interest. Any surplus remaining after full payment of all principal and lawful interest due hereunder shall be remitted to Maker.

If default be made in the payment of any amounts due hereunder or in any term or condition hereof, the entire outstanding principal sum, all accrued and unpaid interest and all other amounts due hereunder shall at the option of Holder become immediately due and payable without further notice.

In the event of default in the payment of any amount (whether principal, interest or otherwise) due hereunder, then such amount shall bear interest from the date of any such event of default until paid at a rate equal to ten and 00/100 percent (10.0%).

Maker agrees to reimburse Holder for all costs and expenses, including, without limitation, all reasonable attorneys' fees incurred in the enforcement or collection of this Note or any judgment obtained hereon.

Delay in exercising any of Holder's rights or options hereunder shall not constitute a waiver thereof, and waiver of any right or option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

Maker, guarantors, and endorsers hereof hereby severally waive diligence, demand, presentment for payment, protest, notice of protest, and notice of payment. Maker, guarantors, and endorsers hereof hereby severally consent to the extension of time for the payment of this Note or any installment hereof, any modification hereof which is not detrimental to Maker, release from liability of any maker, endorser, guarantor, or any other person or entity at any time liable for the payment hereof, and the modification or release of any collateral at any time held as security for this Note, without notice and without affecting the liability of any maker, guarantor, or endorser.

If more than one person executes this Note, the term "Maker" shall include each as well as all of them and their obligations hereunder shall be joint and several.

The provisions of this Note shall be binding upon, and inure to, the benefit of the successors and assigns of the parties hereto.

This Note shall be construed according to the laws of the State of Arizona.

Time is of the essence of this Note and each and every term and provision hereof.

"LITTLE PARK WATER COMPANY"

Its:

# **EXHIBIT B**

From: sgudovic@bigparkwater.com

To: Mark Morris

Cc: ngudovic@bigparkwater.com

Date: Thursday, October 22, 2009 1:33pm

Subject: Camp Soarin Eagle

## Hi Mark,

Pursuant to our conversation today, let me briefly reinstate our position regarding the \$118,800 which is due from Camp Soaring Eagle to Little Park Water Company (LPWC) as part of the Arsenic Impact Fee. We fully understand the difficulty, the present economy is creating, which affects all of us including fund raising for Camp Soaring Eagle. We would like to work with your client to make this transition as less painful as possible with all parties involved.

Let me briefly outline the events which occurred in the last couple of months. On June 30, 2009 the Arizona Corporation Commission in Decision #71172 issued the Order directing LPWC to modify the Line Extension Agreement with Camp Soaring Eagle to reduce the AHUF to \$118,800. In the Addendum to the Water Facilities Line Extension Agreement, page 2, line 3, specified that the \$118,800 should be paid by the Developer to LPWC within 30 days following Commission approval of the Addendum which occurred on June 30, 2009.

Therefore, the full payment of \$118,800 should have been paid to us by July 30. 2009. No payment was made by your client to us by the due date or subsequently thereafter.

We borrowed money from Chase Bank to finish installation of the arsenic treatment facility. As of July 30, 2009 our loan amount with Chase Bank was \$117,642 with an interest rate of 4.9%.

We would like to propose the following to your client. Until you are ready with installation of the water main line, we would like you to pay the interest which occurred on your portion of \$118,800. Through September 21, 2009 you will owe us \$715.14 for interest on the principal. From this point forward, we will bill you on a monthly basis the same amount which we pay to Chase Bank as interest on the principal. I believe this is a fair arrangement to your client, and I hope he will accept our proposal.

I prefer not to think of other alternatives, which are available to us to enforce the contract. We would like to avoid any alternatives, which would take time and entail legal expenses to both parties.

I look forward to hearing from you very shortly.

Steve Gudovic

Steve Gudovic, P.E. 45 Castle Rock Road, #4 Sedona, AZ 86351 928.284.1133 Office 928.284.1974 Fax 602.524.1641 Cell squdovic@bigparkwater.com

# Little Park Water Company

45 Castle Rock Road #4 Sedona, AZ 86351 Tel. 928/284-2298 Fax 928/284-1974

December 10, 2009

Mr. Max James
Camp Soaring Eagle Foundation
2880 Southwest Drive
Sedona. AZ 86336

Subject:

**Camp Soaring Eagle** 

### Dear Max:

I read in the newspaper that you are abandoning Camp Soaring Eagle's present location and have begun to start searching for alternate site. Personally, I am very sorry that you could not reach an acceptable agreement with the Verde Valley School Board. I hope that both parties will be able to eventually reach some agreement which will benefit both of you and the community as a whole. On the other hand, if your decision is final (and not turning back) we still have an outstanding agreement between Camp Soaring Eagle Foundation (CSEF) and Little Park Water Company (LPWC) which must be fulfilled.

As you are aware, CSEF and LPWC entered into a Line Extension Agreement on April 24, 2008 and as amended on March 18, 2009. Furthermore, that agreement was approved by the Arizona Corporation Commission in Decision No. 71172. Under that Agreement, we committed to build an arsenic removal treatment plant which we did and it is in operation. In exchange, CSEF agreed to pay the prorated share of that equipment. The total amount was \$118,800. We performed our obligation under the contract in good faith and we expect that you will reciprocate in the same way. To the best of my knowledge, the present Agreement does not release us of our respective obligations.

You, as a respected businessman in our community will understand our position and we will appreciate if you fulfill your obligation under the Agreement. It is our sincere intention not to seek compensation under the Agreement through the legal process. Therefore, please send us a check in the above amount without the interest payment which we are incurring since September 2009. This is a small gesture of good faith to you to at least alleviate any additional cost to you. If we do not settle this issue by the end of the year, we will be forced to include, in addition to the principle, any interest accrued in any future proceeding.

Merry Christmas and Happy Holidays to you and your family. I hope to receive a positive answer from you by December 31, 2009.

Very truly yours

Steve Gudovic, P.E.

President/

Little Park Water Company

# **Little Park Water Company**

45 Castle Rock Road #4 Sedona, AZ 86351 Tel. 928/284-2298 Fax 928/284-1974

January 14, 2010

graphic see see

# INVOICE

Mr. Max James
Camp Soaring Eagle Foundation
2880 Southwest Drive
Sedona, AZ 86336

In accordance with the Line Extension Agreement dated April 24, 2008 and Amended Line Extension Agreement dated March 18, 2009, payment was due July 30, 2009.

Payment is due and payable in 10 (ten) calendar days from the date of Invoice.

If payment is not made on a timely basis, we will be forced to seek legal remedies.

<sup>\*</sup>Interest is not compounded. Little Park Water Company is paying the interest on a monthly basis to our lender (Chase Bank).

# **Little Park Water Company**

45 Castle Rock Road #4 Sedona, AZ 86351 Tel. 928/284-2298 Fax 928/284-1974 GLEW HALL MAN 602 530-8471 602 530-8500 GHF @ com

January 25, 2010

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Terry Thompson, Esq. Gallagher & Kennedy 2575 E. Camelback Road Phoenix. AZ 85016

RE: Line Extension Agreement Between Camp Soaring Eagle and

**Little Park Water Company** 

Yavapai County, AZ

Dear Terry:

Pursuant to our discussion, enclosed you will find the history of this case along with some major events which occurred during the last few years.

On May 24, 2007 Little Park Water Company (LPWC) filed with the Arizona Corporation Commission (ACC) an Application for Extension of the Certificate of Convenience and Necessity to provide water utility service in Yavapai County, AZ for 2 new customers. Verde Valley School and Camp Soaring Eagle. (Verde Valley School entered into a Line Extension Agreement (LXA) and paid all the fees and fulfilled all the obligations under the Agreement. At this time they are receiving water service.)

On November 7, 2007 a full public hearing was held before a duly authorized administrative law judge of the Commission at its office in Phoenix, AZ.

On March 20, 2008 ACC Commissioners issued an Order Preliminary to LPWC for extension of their CCN area. The Order Preliminary basically means that the utility company must comply with numerous requirements as indicated in the subject Order Preliminary before a new customer can build and/or receive the new water service from the utility. One of the major requirements of the ACC was construction of the Arsenic Treatment Plant by LPWC for the 2 existing wells in LPWC by June 30, 2009.

On June 3, 2008 ACC approved the LXA between LPWC and Camp Soaring Eagle. Among many other things, the ACC approved the Arsenic Hook-up Fee to be paid by Camp Soaring Eagle to the utility company in the amount \$234,300.

We did collect the Arsenic Hook-up Fee from Verde Valley School in the amount of \$68,000 and the balance we financed with equity and borrowed money from the local bank with the understanding that Camp Soaring Eagle would fulfill their obligation as dictated by the ACC.

Page 2 Terry Thompson January 26, 2010

On March 18, 2009 we renegotiated the LXA with Camp Soaring Eagle whereby we agreed to collect from them only \$118,800 instead of the original agreed price of \$234,300 as outlined in the Addendum to the LXA dated March 18, 2009.

On June 23, 2009 in Decision #71172 ACC approved the Addendum to the Line Extension Agreement between LPWC and Camp Soaring Eagle. By this Order, Camp Soaring Eagle must pay to us by July 30, 2009 the full amount of \$118,800 as their portion of the payment for Arsenic Hook-up Fees.

On several occasions we made an attempt to collect our fees from Camp Soaring Eagle (see attached documents). Unfortunately, despite all our efforts, we never received a response from Camp Soaring Eagle.

For your information, Camp Soaring Eagle was leasing the property from Verde Valley School. For one reason or another, Camp Soaring Eagle cancelled their lease agreement with Verde Valley School and they walked away from the entire project. According to the media, Camp Soaring Eagle invested between \$10-15 million so far. Also, it has been brought to my attention that the portion of this property which was included in our new CCN area and what the Line Extension Agreement covered with Camp Soaring Eagle, the ownership is in the name of Max James, Chairman of the Board of Camp Soaring Eagle Foundation. He is very a wealthy individual from Las Vegas. I will try to obtain more information with regard to this real estate transaction.

As we discussed, maybe a letter from your office to Camp Soaring Eagle or a phone call to their attorney requesting full payment of \$118,800 plus interest for a total amount due of \$120,745.35 will wake them up. Their attorney with whom I have dealt with on this issue is David Paltzik from Greenberg and Trauring, 2375 E. Camelback Road, Suite 700, Phoenix, AZ. His telephone number is #602-445-8263.

I do have an extensive file on this case so if you need any additional information, please let me know. Also, please let me know how you plan to pursue this matter.

very nuly yours

Steve Gadovic, P.E.

President

Little Water Company

Enclosures

602 530 8000

From:

Hallman, Glen

To: sgudovic@bigparkwater.com

Cc:

Thompson, Terence W.

Date: Monday, March 29, 2010 11:31am

Subject: FW: Little Park Water Company / Camp Soaring Eagle matter / 9160-2 / Voicemail message from David Paltzik

Attach: gk\_header.gif (4.1 KB)

Please see the message below. How would you like to proceed?

Thanks.

From: Haggard, Kim

Sent: Monday, March 29, 2010 11:28 AM

To: Hailman, Glen

Subject: Little Park Water Company / Camp Soaring Eagle matter / 9160-2 / Voicemail message from David Paltzik

## Message left on 3/26/2010

Hi Glen, this is Dave Paltzik over at Greenberg Traurig. Hey, I know we've had all kinds of trouble getting in touch with each other. I did get your letter this morning regarding Little Park and Camp Soaring Eagle. While I appreciate your proposal and it's a proposal that I had discussed with my client as well earlier, the, the reality is they just don't have \$118,000. There's no, you know, there's just sort of no two ways about it - they, they don't have it. They barely meet operating budget just to, you know, operate, much less to, to have any additional cash. You know, they did not get the benefit of the water, the water service, the artisan treatment. They never put in any water meters, you know, you know all that I'm sure. You know, there's, there's certainly some arguments there about the benefit of the bargain, unjust enrichment, etc., etc. And the fact that Little Park was required to put this stuff in whether or not we were involved. And I know that their Arsenic Treatment Plant is operating for, for other communities. But all that being said, even if they, you know, you know, wanted to write you a check, they don't have that ability. They don't have that money. It's about as lean an operation as there can be right now. And so I wanted to chat with you and just kind of talk through that. So give me a call back, 602-445-8263.

### GALLAGHER & KENNEDY

LAW OFFICES

### Kim Haggard, Legal Assistant to Jennifer Cranston and Glen Hallman

Gallagher & Kennedy, P.A. 2575 E. Camelback Road Suite 1100 Phoenix, Arizona 85016

Phone: 602-530-8041 Fax: 602-530-8500 E-mail: kjh@gknet.com Web site: www.gknet.com

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# **EXHIBIT C**

# Jamp Soaring Eagle terminates lease

The Board of Directors of Camp Soaring Eagle Foundation announced that the Foundation has reached an agreement to terminate the land lease upon which its camp for seriously ill children was being built.

According to Max James, Chairman of the Board, the Camp Soaring Eagle Foundation has begun a search for a new site for the camp. In the meantime, the Foundation will continue its mission of giving chronically ill and seriously ill children a real camping experience in a medically safe setting by providing funding for children to attend preexisting locations such as disease-specific camps, ranches, lodging facilities, schools and more.

The Camp Soaring Eagle Team has secured new office space in the Village of Oak Creek and all staff members will remain on board.

Camp Soaring \*Fagle Foundation was formed to serve seriously ill children in the Southwest three years ago.

At that time, the Foundation entered into a long term lease to build a permanent facility in Sedo-

na, based upon the economic conditions and property values of that time.

With the state of today's economy, the Camp Soaring Eagle Board of Directors has been diligently working, forecasting and planning for Camp Soaring Eagle's long term financial success.

As part of this process, the Board attempted to renegotiate the terms of the land lease with the current land-lord. When the Board was unable to renegotiate the lease to acceptable terms, they entered an agreement with the landlord to terminate that lease, without penalty.

"Our first responsibility is to the children," said James. "We could not, in good conscience, continue with a lease that would have hindered our ability to deliver services. While we have thousands of committed supporters, the total amount of available funding has dramatically decreased for us, as it has for nearly all nonprofits. These are the realities of today. And as the saying goes, "When you find yourself staring down into a hole, quit digging." So we have decided

to develop and implement alternate ways to deliver this mission by finding new and innovative ways to provide kids with the services they need and deserve. I am very proud of our decision and look forward to a bright future for Camp Soaring Eagle and the children we serve."

Over the past year, Camp soaring Eagle has provided camping experiences for dozens of children. The Camp Soaring Eagle Team has camp sessions and events planned for the rest of this year and throughout 2010, including our recent Family Retreat Weekend which took place November 21<sup>st</sup>.

Families who have been impacted by childhood cancer and other juvenile illnesses, enjoyed a weekend in the wild west at the famous "Ranch" courtesy of Earl Weatherwax. The children and parents enjoyed a variety of activities including archery, paddle boats, horse drawn wagon rides, roping and an authentic chuck wagon supper and campfire.

wagon supper and campfire.
"It was such an encouraging weekend for us", said Judy, a camper's mother. "Our son is currently undergoing chemo treatments and

this gave us an opportunity to get away from it all and have fun as a family. We met many other families who have gone through what we are experiencing and this gave us renewed strength and hope that we can conquer what lies ahead of us."

The Red Rock Onilters gave each

The Red Rock Quilters gave each of the campers a hand-made, one-of-a-kind quilt to take with them. Each quilt had a special message to the campers:

"May this quilt keep you safe from harm, may it be your good luck charm.

I do not know your name nor the mountains you face,

But what you hold in your arms is a quilters embrace."

Song Lyric by Cathy Miller
This family retreat was such a success thanks to the personal touches and generous support of our donors and volunteers such as the Red Rock Quillers. We would like to thank, Earl Weatherwax for letting us use the ranch, Mark Morris for providing the sumptuous barbecue, Red Rock Jeep Tours for sharing their wranglers, The Lodge at Cliff Castle Casino for providing

lodging for the families, Mathew Hall our campfire singer, Aaron Anderson for bringing archery into our program, New York Bagel Bakery for the bagels and pies, Christine and Bob Jorgensen for coming up from Phoenix and donating all of the craft supplies and Marge Fisher, Michele Wong, Beth Ann, Nancy Garzone, Shirley Eitner, Sue Gonos, and Claire Shapiro for bringing the miniature horses and carts. Everyone's hard work and generosity created a weekend these families will never forget.

Camp Soaring Eagle's future financial position is stronger than ever, now that the lease obligation has been eliminated. There are large donations already committed for 2010 from corporations, foundations and generous individuals. There are thousands of additional children that need our support and this decision will allow the Camp Soaring Eagle Foundation to do just that.

For more information about how you can get involved in helping Camp Soating Eagle: 928-284-2287 or jperty@campsoaringeagle.org.